

115TH CONGRESS
2D SESSION

H. R. 4296

AN ACT

To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. OPERATIONAL RISK CAPITAL REQUIREMENTS**
2 **FOR BANKING ORGANIZATIONS.**

3 (a) IN GENERAL.—An appropriate Federal banking
4 agency may not establish an operational risk capital re-
5 quirement for banking organizations, unless such require-
6 ment—

7 (1) is based primarily on the risks posed by a
8 banking organization’s current activities and busi-
9 nesses;

10 (2) is appropriately sensitive to the risks posed
11 by such current activities and businesses;

12 (3) is determined under a forward-looking as-
13 sessment of potential losses that may arise out of a
14 banking organization’s current activities, businesses,
15 and exposures, which is not solely based on a bank-
16 ing organization’s historical losses; and

17 (4) permits adjustments based on qualifying
18 operational risk mitigants.

19 (b) DEFINITIONS.—For purposes of this section:

20 (1) APPROPRIATE FEDERAL BANKING AGEN-
21 CY.—The term “appropriate Federal banking agen-
22 cy”—

23 (A) has the meaning given such term
24 under section 3 of the Federal Deposit Insur-
25 ance Act; and

1 (B) means the National Credit Union Ad-
 2 ministration, in the case of an insured credit
 3 union.

4 (2) BANKING ORGANIZATION.—The term
 5 “banking organization” means—

6 (A) an insured depository institution (as
 7 defined under section 3 of the Federal Deposit
 8 Insurance Act);

9 (B) an insured credit union (as defined
 10 under section 101 of the Federal Credit Union
 11 Act);

12 (C) a depository institution holding com-
 13 pany (as defined under section 3 of the Federal
 14 Deposit Insurance Act);

15 (D) a company that is treated as a bank
 16 holding company for purposes of section 8 of
 17 the International Banking Act; and

18 (E) a U.S. intermediate holding company
 19 established by a foreign banking organization
 20 pursuant to section 252.153 of title 12, Code of
 21 Federal Regulations.

22 **SEC. 2. REDUCTION OF SURPLUS FUNDS OF FEDERAL RE-**
 23 **SERVE BANKS.**

24 (a) IN GENERAL.—Section 7(a)(3)(A) of the Federal
 25 Reserve Act (12 U.S.C. 289(a)(3)(A)) is amended by

1 striking “\$7,500,000,000” and inserting
2 “\$7,468,571,428”.

3 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
4 fect on May 1, 2018.

Passed the House of Representatives February 27,
2018.

Attest:

Clerk.

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